



Your Aging & Disability
Resource Center

Area Agency on Aging
PALM BEACH / TREASURE COAST, INC.

ADRC Emergency Board of Directors Meeting

Tuesday, May 7, 2019

Present

James Sugarman
Ian Cordes
Jose Thomas-Richards, DO
Monica Wilson
Faith Myer
James Cioffi, Esq.
Barbara Pembamoto

Phone

Lesley Vestrich
Ted Peroulakis
Elayne Forgie
Barbara Fretwell
Arnold Gaines, Esq.
Kathryn L. Perrin, Esq.

Staff

Sonja Honkala

Guests

Mike Dyer, Foundation Chair
John Foley, Esq, Legal Counsel, Legal Aid Society
(phone)

Absent

Neal Abarbanell, M.D. (excused)
Sheldon Siskin (excused)

Welcome – Jim Sugarman began the meeting at 4:05 p.m.

Review and Approval of May 3, 2019 ADRC Emergency BOD Minutes:

- Correction on the minutes to add “per hour” after the \$150 for Carlos Tavares, CPA fee.
MOTION: Motion to approve the “per hour” correction and May 3, 2019 ADRC Emergency BOD Minutes (Myer/Wilson). Motion carried unanimously.

Questions were asked if the minutes are public records which Jim clarified that as a nonprofit they are but would notify all board members before releasing any board minutes.

Updates:

- **Prime Time** – Jim asked all board members for support and attendance at the May 23rd event and to please donate \$75 towards the Leadership Award presented which is presented by the agency board. Jim thanked all who have made a gift and acknowledged those who have become sponsors. It was noted by Faith Myer that for our sponsorship we have a table of ten at the event.
- **2018 Audit** – Mike Dyer shared that a Request for Proposal went out to 5 different firms inviting them to submit a proposal to our agency by May 6, 2019. To date we have received 4 proposals. One of the firms we spoke to worked with PSA8 and are rated highly as this agency located in Ft. Myers went through a forensic audit 6 years ago with that firm. Mike informed everyone the fees for an audit run between \$25,000 and \$40,000 annually with a 3 year commitment. Mike recommended that two of the proposals be considered by the Audit Committee due to their content and price.
- **Audit Committee Review of RFP's** – Faith Myer, Barbara Fretwell, Colonel Jose Thomas-Richards and Arnold Gaines volunteered to review the 2 Mike mentioned. Jim would like the committee's decision by Monday May 13th.

ADRC Status

- **DoEA** – As of this date we have not had much of a response regarding to our Corrective Plan to the DoEA PSA 9 Monitoring Report which was developed by staff sent to DoEA prior to May 1. Their Monitoring Report for the 2017 year which they monitored in the summer of 2018 had been sent to ADRC in February 2019.
- **DoSS** – They thanked us for our responses to their concerns but to date we have not received other feedback.
- **NonProfits First** – We sent them a response to the concerns they presented and essentially we are in a holding pattern regarding our certification. They are waiting for us to complete our 2018 audit.
- **United Way** – We sent them a response to their concerns regarding our status and at this time our grant which serves as a match for the Foster Grandparents Program depends upon our getting certification from NPF.

BMO Line of Credit and Meeting with Tom Leonard

- Mike and Jim met with Tom Leonard, a Loan Officer at BMO, on Tuesday May 7th. Mr. Leonard handles our Line of Credit locally but did mention that this will not be his role for much longer. As of this date the LOC balance is about \$450,000 and will be up for review in October by BMO. BMO has now frozen the line and transferred the oversight of it to their collection department. Though the LOC is to be paid off annually, it was not paid off in 2017 or 2018, but we have been making the interest payments. We are forwarding BMO our annual financial statements which we are obligated to send. Mike explained the reason the agency originally opened the LOC many years back was that it was a temporary response because of the delay in receiving reimbursements from the state and a statewide sequestration with funding.

Discussions with State Senator Gayle Harrell and proposed conference call with Secretary Prudom

- Mike spoke with State Senator Gayle Harrell this past weekend about the agency's fiscal situation. She spoke with Jim and Mike and agreed to working on convening a conference call with Mike, Jim and Secretary Prudom this Friday, May 10th. After speaking with Senator Harrell and having her legislative people speak with his legislative liaison to set up the meeting she stated that due to the situation at hand that perhaps the Inspector General needs to be notified which may lead to them doing their own forensic audit. She also noted that we should only consider bankruptcy as a last resort.

Next Steps for ADRC

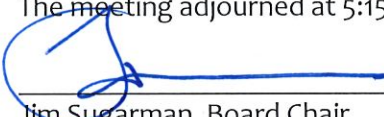
- There was much discussion about cutting costs and how general administrative funds are spread out amongst all programs. John Foley, our lawyer from Legal Aid Society shared that the agency needs to do all that it can to cut expenses and re-negotiate leases with items such as copiers, etc. Jim mentioned that so far Mike and he project that about \$600,000 will be cut from the budget by the year's end.
- Chapter 11 – Questions came up about filing for Chapter 11 and what needs to be done before this can happen if it needs to happen. John Foley mentioned that our two largest outstanding debts are monies owed to the Palm Beach County's Division of Senior Services and BMO for the Line of Credit.
- Financially Assisted Agency's Grant – We have been receiving funds from the county and they are used to cover administration costs. Due to the situation with DoSS this is potentially in jeopardy.

- Colonel Jose Thomas-Richards commented that constructive changes needs to be made and that is why we do not have a CEO and CFO at this time and that others may need to be let go. Jim responded that we have already cut several positions and once we speak with Senator Harrell and Secretary Prudom we will have more information to share.
- Monica noted that the state may decide to reorganize the agency and that per regulations that came out in the last decade AAAs do not have to be an independent local 501c3s.
- Prime Time – Jim shared that this annual event is not a substantial fund raiser and hopes that we will work to change that next year.
- Ted Peroulakis and Lesley Vestrich expressed we not move on bankruptcy and that we continue to make cuts where we can and be mindful of public relation issues. Jim added that moving SHINE over to this side of the building would help us cut costs as their budget does cover rent costs.
- Jim asked if we could get letters of support from providers and he said he could have them if they are needed.

Jim thanked everyone for being on the call.

Quorum – was met

The meeting adjourned at 5:15 p.m.



Jim Sugarman, Board Chair